

HOUSE BILL 645

C2
HB 847/09 – ECM & W&M

11r0883

By: **Delegates McDonough, Dwyer, Impallaria, Kach, Kipke, McComas, and Stocksdale**

Introduced and read first time: February 9, 2011

Assigned to: Economic Matters and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Charitable Organizations – Acceptance of Contributions from Countries or**
3 **Other Entities Associated with Terrorist Organizations – Removal of Income**
4 **Tax Exempt Status**

5 FOR the purpose of prohibiting certain charitable organizations from accepting certain
6 contributions from certain entities; requiring the charitable organizations
7 subject to this Act to return the contributions to the donors within a certain
8 period of time after a certain notice is received; requiring certain charitable
9 organizations that received certain contributions after a certain date but before
10 the effective date of this Act to comply with this Act; providing that a charitable
11 organization that violates this Act shall lose its State income tax exempt status;
12 providing for the application of this Act; and generally relating to charitable
13 organizations that accept contributions from certain countries or other entities.

14 BY adding to
15 Article – Business Regulation
16 Section 6–622
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2010 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article – Business Regulation**

22 **6–622.**

23 **(A) A CHARITABLE ORGANIZATION MAY NOT ACCEPT CHARITABLE**
24 **CONTRIBUTIONS FROM:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(1) ENTITIES LISTED UNDER § 212(A)(3)(B)(VI) OF THE**
2 **IMMIGRATION AND NATIONALITY ACT AS TERRORIST ORGANIZATIONS;**

3 **(2) COUNTRIES DEEMED BY THE U.S. DEPARTMENT OF STATE TO**
4 **BE STATE SPONSORS OF TERRORISM; OR**

5 **(3) COUNTRIES DESIGNATED BY THE U.S. DEPARTMENT OF**
6 **STATE AS HAVING DIPLOMATIC OR FORMAL RELATIONSHIPS WITH COUNTRIES**
7 **REFERRED TO IN ITEM (2) OF THIS SUBSECTION.**

8 **(B) A CHARITABLE ORGANIZATION IN VIOLATION OF SUBSECTION (A)**
9 **OF THIS SECTION SHALL RETURN THE CONTRIBUTION TO THE DONOR WITHIN 6**
10 **MONTHS AFTER RECEIVING A NOTICE OF VIOLATION FROM THE SECRETARY OF**
11 **STATE.**

12 **(C) IF THE CHARITABLE ORGANIZATION IN VIOLATION OF SUBSECTION**
13 **(A) OF THIS SECTION DOES NOT RETURN THE CONTRIBUTION TO THE DONOR AS**
14 **REQUIRED IN SUBSECTION (B) OF THIS SECTION, THE CHARITABLE**
15 **ORGANIZATION SHALL LOSE STATE TAX EXEMPT STATUS.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That charitable organizations
17 that were in violation of this Act on or after July 4, 2006, but before the effective date
18 of this Act, shall have 6 months to comply with the provisions of this Act.

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2011.